

*Draft- For Review and Comment*

# **Target Industry Guide**

**Weakley County,  
Tennessee**

*1997*



Economic Development

# Executive Summary

This guide provides information on manufacturing industries in and around the Weakley County, Tennessee area. This information may be used for evaluating industrial prospects on several key attributes. It may also be used to make selections of industries that appear to be good candidates for development efforts.

Based on the data and derived information, one example set of target industry selections is provided in this report. This set contains the following industries:

*Target Industries- Final Selections*

<i>SIC</i>	<i>Title</i>
3621	Motors And Generators
2451	Mobile Homes
3496	Misc. Fabricated Wire Products
3714	Motor Vehicle Parts And Accessories
3585	Refrigeration And Heating Equipment
3465	Automotive Stampings
2515	Mattresses And Bedsprings
2015	Poultry Slaughtering And Processing
3519	Internal Combustion Engines
3052	Rubber And Plastic Hose And Belting
2653	Corrugated And Solid Fiber Boxes
3081	Unsupported Plastics Film And Sheet

Four of these industries are briefly analyzed and discussed in the report as examples of using the information on which their selection was based. Some limited information is displayed for all the final selections in a series of thematic maps.

*SIC 3714- Motor Vehicle Parts and Accessories* was selected based on its strength in the Weakley Competitive

Area, as well as in the TVA Region and counties similar to Weakley. It ranges from around forty employees at the median to over 200 at the 75<sup>th</sup> percentile. It typically pays a good wage rate. This industry is burgeoning across the Tennessee Valley as spin-offs result from emerging auto manufacturing facilities.

*SIC 2451- Mobile Homes* is an industry whose employment is typically close to two hundred. Its selection is also based on outstanding growth performance in the Competitive Area, the TVA 201 County Region, and in similar counties. It tends to pay a fairly good wage rate. It is creating net new jobs locally, regionally, and nationally.

*SIC 2015- Poultry Slaughtering and Processing* is a fairly large-scale industry. Its selection is based on outstanding growth performance in counties similar to Weakley. Plants range from around 50 employees at the median to over 350 employees at the 75<sup>th</sup> percentile. It pays a fairly good wage rate on the average. Startups are being recorded at a relatively high rate.

*SIC 3081- Unsupported Plastics Film and Sheet* is selected as a target industry from the analysis of potential suppliers to area industries. It has some fairly large plants and pays a good average wage.

While these four are outstanding candidates, the report identifies quite a few more excellent possibilities.

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# Methodology

This section describes the methods that have been used to develop the data tables in the appendices. Each table has been developed to provide answers to specific industrial recruitment and development questions. These are questions that would likely be asked in an effort to identify industries that would be "good" prospects for Weakley County. These questions and the methods used to answer them are discussed after first identifying the geographic definitions used in this study.

## **Competitive Region & Trade Area Definitions**

The map on the following page shows the Weakley County Competitive Region and the Weakley County Trade Area. The Competitive Region is so defined to be an area that would likely be viewed as a fairly unified geo-economic space by many companies seeking a location for a new plant. In other words, an outside prospect would have no obvious reason to prefer one county over another in this area. The region is primarily visually derived on the basis of highway access and proximity to metropolitan areas. This definition is not meant to be precise, and in many cases competing sites can extend far and wide. However, this definition does have merit as one vantage point for analysis.

The Trade Area consists of a broader selection of counties. Again, the selection is largely visually derived. The idea here is to identify a set of proximate counties where goods and services can move readily with minimal impediment among the group of counties. Thus, even though some companies may have preference for, say, more densely

populated counties, counties in the group could easily be significant participants in trade for each others' goods and services. The large metropolitan areas are included in this set of counties.

One analysis, for establishment openings and closings, uses data for three states: Georgia, North Carolina, and Tennessee.

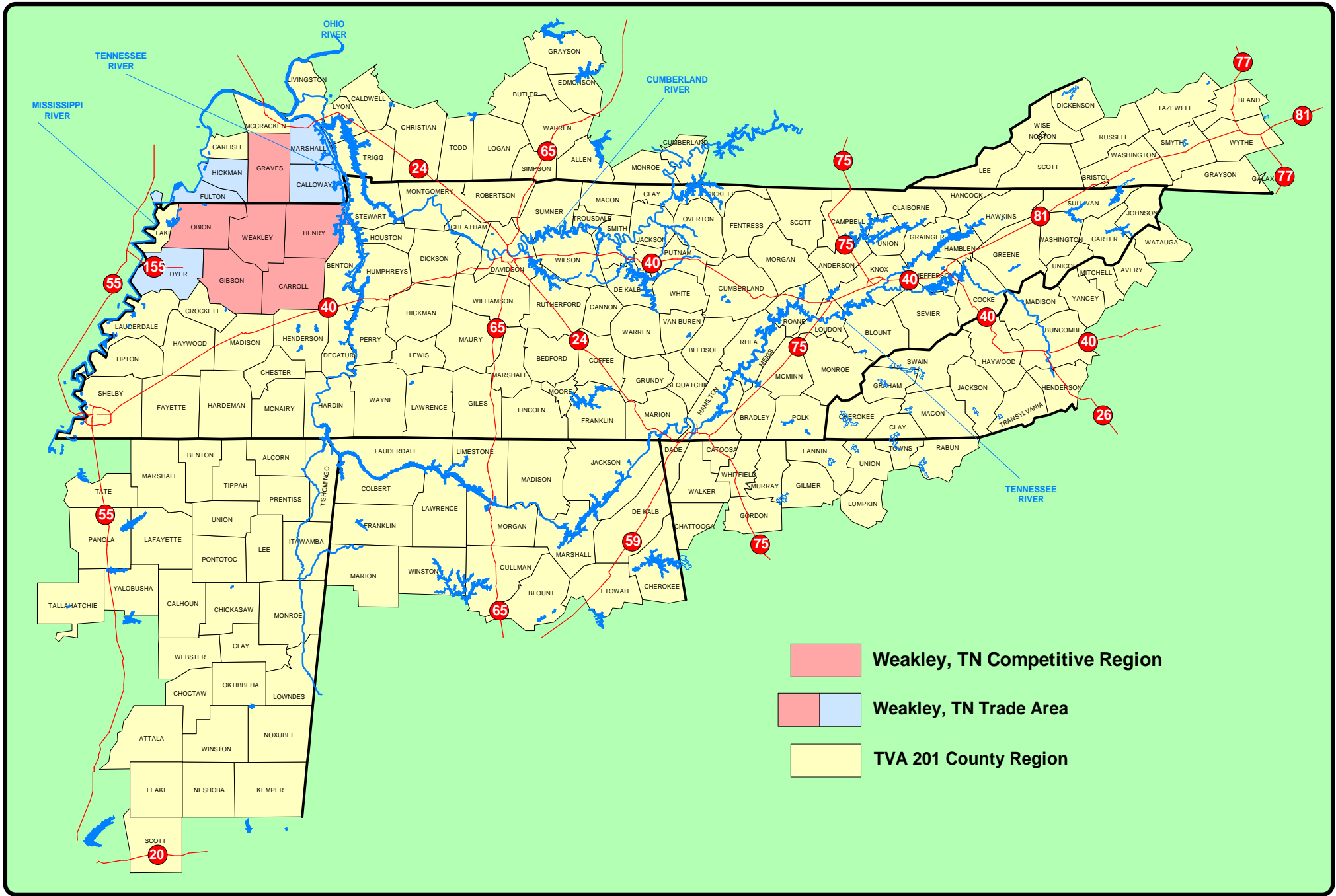
Even broader areas or regions are used in some of the analyses in this study. One is the Tennessee Valley 201-County Region. This region consists of all of Tennessee and portions of six other states: Alabama, Georgia, Kentucky, Mississippi, North Carolina, and Virginia. This area is also depicted on the map on the next page.

In addition, an analysis is performed for Weakley County that benchmarks its manufacturing sector with a set of counties from the seven above-mentioned TVA states. The counties are analytically derived based on their similarity to Weakley with respect to certain parameters relevant to manufacturing activity.

## **Data Time Periods**

The data used in the various analyses are for one of three time periods:

- A three year period whose ending year is the latest quarter of data available for each state. Currently this is either the 4<sup>th</sup> quarter, 1996, for every state except Alabama, which is 1<sup>st</sup> quarter. The base period for the three years is the corresponding quarter three years prior.



- The most current full year of data. The ending period is the latest quarter (the same as above), but the base period is the quarter one year back.
- The national data is the most recent Bureau of Labor Statistics twelve months of data. Currently, this is July, 1996-1997.

### Targeting Industries: Answering Questions Local Area Industrial Promoters Ask

The analyses in this guide have been designed to address a series of practical questions. These questions concern issues that relate directly to efforts that might be made to expand the Weakley County industrial base. The following subsections discuss each of these questions and explain the techniques that have been applied to create the data tables in the appendices. Information from these tables provides the answers to the questions posed. Throughout this guide, wherever reference is made to "industry," the meaning is four-digit SIC (*Standard Industrial Classification*) code definitions. Also, unless otherwise stated, the term "area" or "region" is meant to refer to the Weakley County Competitive Region.

#### Local Industry Growth Experience

The first two questions apply specifically to the experience of industries in the Weakley County Competitive Region. Each question concerns measures that take into account how existing industries have grown in recent years. The recent job-growth success of an existing industry in the local area is regarded as one indicator of probable future success for a company in that industry that chooses to locate in Weakley County.

*Question:* Which industries in the Weakley Competitive Region have been creating new jobs?

*Answer:* The growth rate for recent years is one possible indicator. It tends to heavily weight, however, the smaller

industries who may actually add relatively few net jobs to the local economy.

Another possible indicator is the absolute employment change by industry over the same period of years. It, however, tends to heavily weight the larger industries at the expense of smaller industries. Smaller industries are very dynamic and may actually be the major job producers in the aggregate; furthermore, they may be more indicative of future growth possibilities than the larger industries.

Therefore, a growth index is used that takes into account both percentage growth and absolute growth. This is done by multiplying one times the other:

$$\text{Growth Index} = \% \text{ emp. change (in decimal, 3-year)} \times \text{absolute emp. change (3-year)}$$

If the change is negative the Growth Index is assigned a negative value.

In the data table in *Appendix A* the Growth Index is shown by rank for those industries that have shown positive employment growth over the specified three year period. Also, the table indicates which industries started from a base year employment of less than 50, and it shows the net change in the number of reporting firms during that time. Employment is given for industries where disclosure of the value is permitted.

*Question:* How can we tell if the Weakley County area is particularly conducive to job growth in an industry?

*Answer:* A simple measure that shows whether the local area is especially good for an industry is the difference between the competitive region growth rate and a larger regional growth rate (i.e., the TVA Region). This is defined for this report as:

*Growth Rate Differential = area growth rate - TVA Region growth rate, 3-year*

Industries are listed with the rank of the differential value in *Appendix B*. The sign of the growth rates for the local area and the region are both provided.

*Question:* What are the "brand new" industries in the local area?

*Answer:* Industries that did not exist in the area in the five year base quarter, but show employment in the five year ending quarter are possible new area industries. These are reported in *Appendix C*. Some caution may be called for in the use of these data, as a switch in the reported SIC of an existing company may account for some of these apparent new industries.

Other questions concerning the local area industrial structure may not be directly related to current growth characteristics, but are, nevertheless, of interest for understanding the area's industrial infrastructure.

#### Local Area Industry Structure

The current structure of the local industrial base is of interest to area promoters and potential company recruits. The following question addresses this issue.

*Question:* How does the industrial structure of the local area compare with that of the 201-County Region? The area with the seven TVA states?

*Answer:* One measure is an index that compares the relative shares of total manufacturing in the two areas for each industry. For an industry, this is formulated as:

*Local Specialization Index = % of the most current quarter mfg emp to the quarter's total emp in local area / % of the most current*

*quarter mfg emp of total emp in the broader area*

This index is also commonly referred to as a location quotient (LQ). *Appendix D* shows the results for all industries. An index value greater than one for an industry means the local area has proportionally more of the industry than the larger area, and, therefore, the area can be said to have an above average share of industry employment.

Another category of questions asks about characteristics of industries in the context of an area broader than the local area.

#### Industry Performance Characteristics

A small area provides relatively little evidence for an industry's potential in that area where growth is measured from a low base year employment; and it provides no evidence for industries that do not exist in the local area. Other measures can be employed that help identify and evaluate potential candidates for industries that are poorly represented or absent in the study area.

One such measure is the growth of industries in broader areas. The degree to which employment is growing elsewhere can be a factor in deciding the likelihood and desirability of attracting an industry whether or not the industry currently exists in the local trade area.

*Question:* What industries are growing rapidly, adding new jobs, in the TVA 201-County Region?

*Answer:* The TVA 201-County employment growth indices (defined as above for local industries) for the four-digit SICs directly answer the question. In the data table in *Appendix E*, the rank of the growth rate is shown along with the change in the number of establishments and employment, where it can be disclosed, over the latest five year period.

The question of growth industries, as well as start-ups, can also be asked of counties in the seven state area that have certain similar characteristics to Weakley (these counties are identified in *Appendix K*).

*Question:* What industries are growing rapidly and adding new jobs in the set of counties that are determined to be most similar to Weakley?

*Answer:* The employment growth indices for the four-digit SICs in this set of counties answer this question. These are shown in the data table in *Appendix L*.

*Question:* What industries have started up in the set of counties that are determined to be most similar to Weakley?

*Answer:* The start-up industries list for this set of “most similar” counties addresses this question. This is shown in the data table located in *Appendix M*.

The answers to the next three questions provide industry-specific information.

*Question:* How do industries compare on wage rates?

*Answer:* Wage rate quartiles by SIC provide valuable information about comparative industrial wages. An industry paying high wages might be considered to be a more desirable candidate industry. In some cases, however, the nature of a local workforce might result in lower wage industries being more feasible candidates.

The data table in *Appendix F* is derived from county wage data for Georgia, North Carolina, and Tennessee. It shows the latest annual wage rates at each quartile.

*Question:* How do industries compare on plant employment size?

*Answer:* Typical establishment size is fairly represented by quartile employment per establishment data. These data, derived from Georgia, North Carolina, and Tennessee firm statistics, are also presented in *Appendix F*.

*Question:* How do industries compare with regard to their volatility?

*Answer:* Volatility can be assessed from evidences of openings and closings in the industry. The data in *Appendix G* provide this information based on latest one-year period estimates for three states: Georgia, North Carolina, and Tennessee. Industries with high closing rates might warrant caution, especially if not offset by equal or greater opening rates.

Another issue that might affect the likelihood of attracting and developing particular industries in a local area concerns how activity in each industry is geographically distributed across the region.

*Question:* Is an industry geographically dispersed or concentrated in only a few places? And to what extent does its location pattern show a preference for larger population centers?

*Answer:* The data table in *Appendix H* provides a measure that indicates the geographic concentration for each industry. This measure is the number of counties in the TVA Region that have approximately 80 percent of the industry's total regional employment.

Also provided in the table is the percentage of population accounted for by the listed number of counties. This gives an indication of an industry's affinity for population centers. An average county would have about 0.5



percent of the total population; if, as in SIC 2011, three counties have 7.0 percent of the total population, this implies a fairly high orientation toward places with larger population).

#### Benchmarking With Other Areas

The prior questions have been focused on either the local area or industry characteristics. It is also useful to consider how the study county "benchmarks" with other counties in the region. The next three questions address this.

*Question:* What counties are most similar to the study county in some major characteristics relevant to industry? How have these counties performed in recent years?

*Answer:* A similarity index is constructed based on rankings for the following factors:

- manufacturing employment
- manufacturing wage rates
- a gravity-population formula for each county's access to population centers of 100,000 or more (a proxy for access to market-distribution channels)
- population per square mile

The index is calculated based on the differences in ranking between each county and Weakley.

*Appendix K* shows the results of this calculation for Weakley and the top most similar counties. The five year manufacturing growth index in counties that are most similar can be compared with Weakley.

Two additional questions concerning these benchmark counties are addressed in *Appendix L* and *Appendix M*, as previously discussed.

*Question:* What counties in the TVA Region are doing the best at holding and expanding activity in each industry. In other words, who in the Region is Weakley County competing with for jobs in specific industries?

*Answer:* The growth index for all regional counties for all SICs addresses this. This index is calculated as follows:

$$\text{Growth Index} = 3\text{-year emp growth rate (in decimal)} \times \text{absolute emp growth (3-year)}$$

*Appendix I* provides the results for the top counties in each industry. The particular advantage of this measure for this purpose is that it isolates a large share of job growth in relatively few areas. The growth indices for selected industries (perhaps selected by local area growth characteristics or other criteria) can be mapped to get a visual representation of where the growth in selected industries is concentrated.

*Question:* Where is major start-up activity in each industry occurring in the TVA Region?

*Answer:* The location of regional industry start-up activity can be found by identifying those counties where new industry employment is recorded. Employment is new if there is no base period employment or the latest employment is at least 10 times the base level. *Appendix J* lists these counties with new industries.

#### Potential Supplying Industries To Existing Major Manufacturers In The Weakley Trade Area

Many manufactured items are sold by one manufacturer to other manufacturers. There may be opportunities for new local manufacturing to supply products that current local manufacturers are purchasing outside the local area. A ready-made local area market may exist; but these markets are often difficult to identify.

*Question:* Who are the major manufacturing companies in the Weakley Trade Area?

*Answer:* *Appendices P* and *Q* list manufacturers in the Trade Area who have at least 100 employees. One list is sorted by county and the other by SIC. This information is from a commercial company database, and may not compare 100 percent with the other sources of industry data used in the other analyses.

*Question:* What industries (local or nonlocal) may be selling to local area manufacturers?

*Answer:* This question can be important where substantial goods and services of specific types are being “imported” from outside the local area to area manufacturers. In that case new or existing local manufacturers might be able to plug the gap by providing the needed products.

This question is addressed in this study by an analysis of the larger Trade Area industries. For those industries an attempt is made to identify some of the four-digit SIC industries that are likely to be selling to them. The results are shown in *Appendix O* where suppliers are listed for the industries in the Weakley Trade Area that have at least 500 total employees.

These results could suggest areas for local industrial intelligence work to really pin down possible opportunities. It is usually most relevant where there is an industrial “giant” or very large industrial complex present, but sometimes an agglomeration of various companies may trigger a critical mass for a local industry.

Also included in *Appendix O* is a table summarizing the number of times a supplying industry is listed. This could be considered a rough index of the likelihood such a critical mass might exist.

#### Current U.S. Industry Growth

The following question addresses the issue of what industries are actively expanding on a nationwide basis.

*Question:* What industries are showing current signs of employment expansion in the U.S.?

*Answer:* *Appendix N* provides U.S. employment growth by manufacturing industry for the latest one-year period for the available three and four-digit SICs. Also, the twenty-five top growth manufacturing industries are shown. Employment expansion can be a positive signal that an industry is on the rise and may require additional plants and employment to meet rising demand for the industry's products.

# Using The Information

The information in this study can best be used as part of a well-defined strategy whose ultimate goal is to attract industry and develop the Weakley County industrial base. To do this requires a plan and an understanding of how to use the results of the analyses in this guide to target candidate industrial prospects. An example is provided below to show how to use the data tables for a sample industry to answer the questions that the methodology has been designed to address. Following that is a brief discussion on using the results to initiate and support an industrial recruitment plan.

## Questions & Answers -- An Example Industry

This section provides an example showing how the target questions can be answered for a specific industry from the data tables in the appendices. For this example, one of the chosen target industries, *SIC 3714- Motor Vehicle Parts & Accessories*, is used.

SIC 3714 is described in the Standard Industrial Classification Manual as being composed of those establishments primarily engaged in manufacturing motor vehicle parts and accessories, but not engaged in manufacturing complete motor vehicles or passenger car bodies. Just about any component of an automobile is included in this category with the exception of tires and tubes, automobile glass, automobile stampings, vehicular lighting equipment, ignition systems, storage batteries, carburetors, pistons, piston rings, and engine intake and exhaust valves. Some components are not specifically automotive-related: dump truck lifting mechanisms and fifth wheels. Other components may be found in

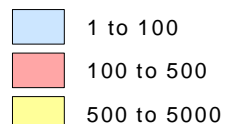
automotive or other types of vehicles. The emphasis, commencing with the advent of Nissan and Saturn automobile plants in Middle Tennessee, has certainly been on the automobile segment of the vehicle market in the Tennessee Valley Region.

Due to the growth of the motor vehicle manufacturing industry in the Valley, this is a high growth spinoff industry. Many TVA counties are getting into the act. Thirty counties account for just under 80 percent of the employment in this industry. On the average, these counties have above average population; that is, there is some orientation toward more populous counties.

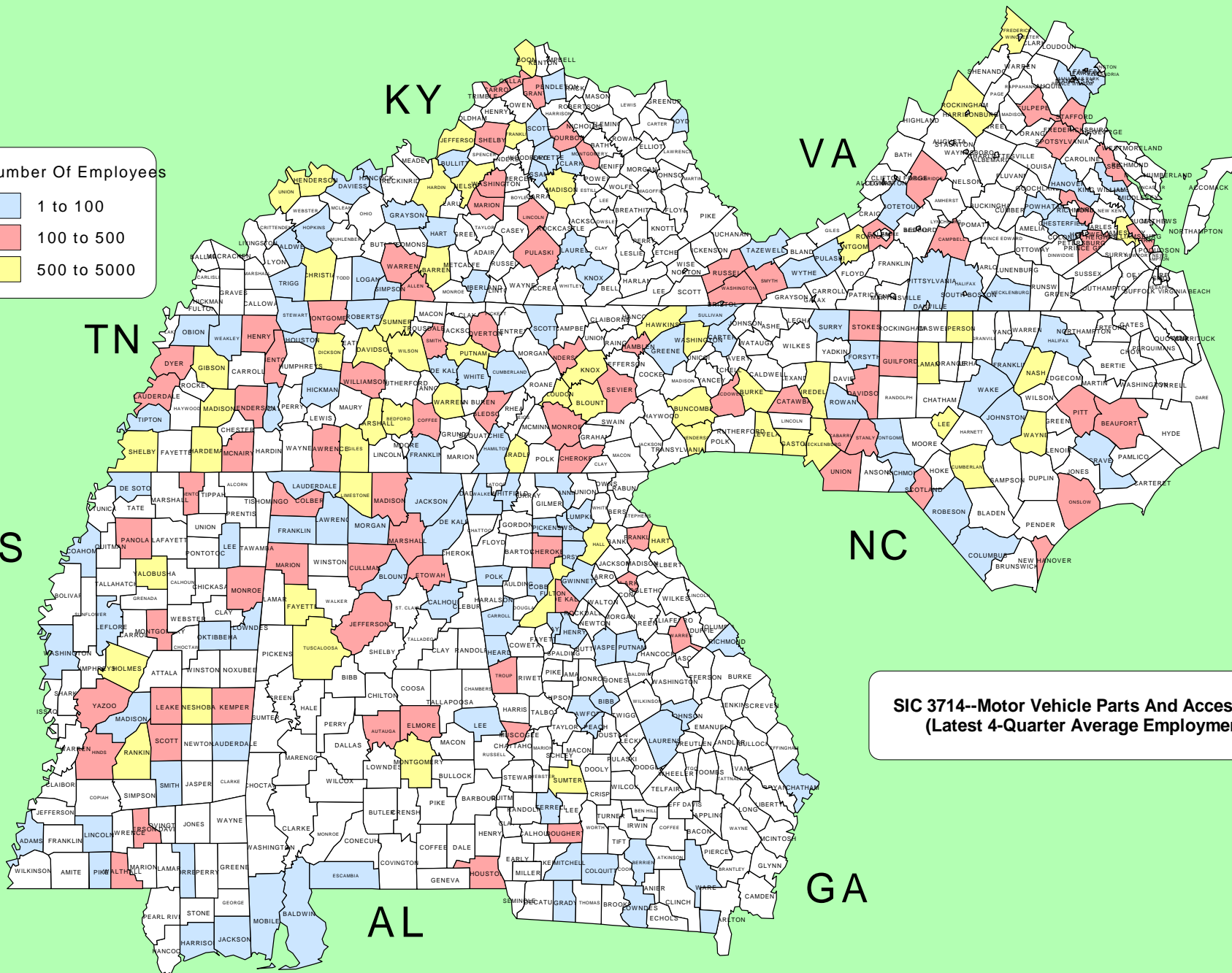
This is a large industry in the Weakley Competitive Region and it has had high job growth. The Region's employment in the industry is in the 1,000-2,500 range. The number of establishments (seven) has, however, remained constant over the last three years. This local region contains about the same share of its manufacturing employment in this industry as does the TVA Region. The TVA Region shows considerable specialization in this industry (1.7 times as great as the seven state region). The map on the following page shows the locations of employment in this industry and some growth characteristics.

The industry is a high job producer in counties similar to Weakley. Six of the twenty most similar counties had high growth indexes, and one county had a startup.

Number Of Employees



**SIC 3714--Motor Vehicle Parts And Accessories  
(Latest 4-Quarter Average Employment)**



In the three states of Georgia, North Carolina, and Tennessee, there were eight start-ups recorded for the industry in the latest four quarters. The closings rate is a fairly low 2.2 percent.

Like many industries, this one has many small plants, but the 75th percentile plant is fairly large at 224 employees. A good annual wage rate is paid, averaging nearly \$25,000 for the latest four quarters.

Overall, industry employment, which is cyclical, has recently been growing slightly. The current annual U.S. employment growth rate is about 1.3 percent. It has the fourth highest growth index for the TVA Region. Growth in the Tennessee Valley is expected to continue to expand in coming years.

#### Using The Data In Developing A Local Area Industry Marketing Plan

The data in this guide can be used to gain some insight into any industry of interest. Its greatest value, however, is probably its use as part of a well-designed plan to promote the local area to companies in targeted industries. The following outlines a broad, generic strategy that local promoters and recruiters might follow:

- Select industries that best satisfy two general criteria: they appear to offer the best chance of recruitment success and they have the most desirable characteristics.
- Investigate these industries in some depth. This would likely involve talking with industry experts or knowledgeable persons in industry associations. Gather information from industry publications or company reports. Invite guest speakers from the industries to community or development group functions. Learn the language of the industry and its particular problems; every industry has its own jargon and concerns.

- Identify specific companies in the industry. Look at annual reports for outstanding companies. Try to determine who is likely to be expanding with a branch plant in the near future, or consider ways to grow new entrepreneurial ventures in these industries. Try to determine what is important to companies in this industry and what kind and degree of incentives they might respond to positively.
- An inventory and analysis of the local area should reveal the strengths and weaknesses of the area. This can be combined, to some extent, with the industry selection process. This process would give weight to those industries that might better fit the area's characteristics. A part of this might entail some additional analysis of possible market linkages, distribution channel intermediaries, and supply sources.
- Prepare an advertising or promotion campaign. These efforts could target specific companies or utilize industry exposure vehicles such as trade shows or industry-specific publications. The information in this guide, the additional industry research on targeted industries, and the inventory of the area resources should be considered so as to make the pitch as targeted to the industry and its needs and preferences as possible.

This guide provides information that can substantially aid the first step, that is, the selection of good industry candidates. The data in this study can be used to provide needed focus and save significant effort in detailed industry investigation and promotion. If used systematically in the early stages and as a reference throughout the implementation of the plan, chances for success can be greatly enhanced.

# Target Industries

The information gathered in this report can be used as a reference source for data on any SIC of interest. It can also be used to try to uncover superior industry prospects for focusing development efforts.

This section looks at one way in which the data presented in the appendices can be used to select a list of industries that can be targeted for further investigation. In this section this is accomplished in a two step process.

The first step involves selecting four sets of industries based on four different primary criteria. The second step involves further selecting from those lists to arrive at a final consolidated list of candidates.

The user of this information should bear in mind that this is only one possible list of many that might be developed. This particular target selection is done with no regard for prevailing conditions in the Weakley County area that might affect industrial development. For instance, no attention is given to local work force availability and skills, or to relevant transportation infrastructures, for example. Only the data reported in the Appendices is considered. Knowledgeable locals may be able to derive a more satisfactory list than is presented here by applying their knowledge of the area's resources to the selection process.

Secondly, the reader should not forget that the purpose of this or any such list is to provide a starting place for further investigation into the individual industries.

Only after more detailed knowledge of the industry is gathered, and industry characteristics are matched against local area resources and constraints, can good judgments be made as to how much effort should be expended to try to develop a particular industry.

## Initial Selection of Industries

The tables on the following pages summarize some of the relevant data for selected industries.

The first table shows the sixteen selected growth industries from the Weakley County Competitive Region.

The second table shows a selection of twenty-two of the highest growth index industries in the TVA 201-County Region.

The third table shows six selections based on growth in the set of counties designated as most similar to Weakley County.

The fourth table shows six industry selections from analysis of potential suppliers to industries in the Weakley Trade Area.

In each table are some of the characteristics of the industries that are useful for making target selections.

## Target Prospects

From the four lists of initial selections, a final set of twelve industries is selected as the top target prospects for Weakley County. This list of industries is shown in the table at the top of page 18.

*Target Industries- Final Selections*

<i>SIC</i>	<i>Title</i>
3621	Motors And Generators
2451	Mobile Homes
3496	Misc. Fabricated Wire Products
3714	Motor Vehicle Parts And Accessories
3585	Refrigeration And Heating Equipment
3465	Automotive Stampings
2515	Mattresses And Boxsprings
2015	Poultry Slaughtering And Processing
3519	Internal Combustion Engines
3052	Rubber And Plastic Hose And Belting
2653	Corrugated And Solid Fiber Boxes
3081	Unsupported Plastics Film And Sheet

At least one example from each of the four major selection types is briefly discussed in this guide. One industry, motor vehicle parts and accessories, was discussed in the previous chapter. It is a selection in three of the four composite tables: Competitive Region, TVA 201 Region, and similar counties. Three additional SICs are discussed in this chapter: 2015, 2451, and 3081. **The discussions focus on the data in the summary tables. Additional information can be gleaned from examination of the detail tables in the appendices.**

The final selections are a matter of judgment; almost any of the initial industries could be selected. The primary criterion for final selection is that the industry have no glaring negative attribute. For example, SIC 3524 is not selected due to its poor performance in the TVA Region. Another example is SIC 2261, which is not selected because it is a low wage industry that typically employs few people.

Also included at the end of this chapter are thematic maps for the industries discussed in this chapter. These show the most current distribution of employment across the TVA Region and indicate major growth counties.

***SIC 3714- Motor Vehicle Parts and Accessories***

This industry is, perhaps, *the* hot industry in the TVA Region. It is discussed in the preceding chapter, *Using The Information*.

***SIC 2451- Mobile Homes***

This is an industry that, like motor vehicle parts and accessories, appears on three of the composite growth industries tables: Competitive Region, TVA 201 Region, and similar counties. Its employment growth index for the Valley over the three year period is ranked third. It is seventh among the high growth industries in the Competitive Area. It has a significant employment presence in the area. The specialization index (i.e., relative share of manufacturing employment) in the local area is 90 percent of the TVA Region.

The TVA 201-County Region is 1.5 times as specialized in this industry as the seven states. Six counties in the Valley account for just under 80 percent of the total employment. On the average, plants in this industry are located in TVA Region counties that are average in population size.

The establishments tend to be fairly large. Median employment is 181 and the 75<sup>th</sup> percentile is 214 employees. The median wage rate is a healthy \$25,700.

The latest year of data for the three states of Georgia, North Carolina, and Tennessee, reveal two openings and a closing rate of zero. Over the three year period for the seven states, eight counties similar to Weakley County had high growth rate indexes; two counties recorded a startup.

Nationally, this industry has recently been growing at an annual rate of 1.5 percent.

The one recorded plant in the Weakley Competitive Area (see Appendix P) with more than 100 employees is Atlantic Concord Homes in Henry County.

***SIC 2015- Poultry Processing And Slaughtering***

This industry is selected from the table for similar counties. These are counties determined to be most like Weakley in several important respects: population density, access to population centers, manufacturing employment, and manufacturing wage rates. There are three similar counties which had positive growth indexes over the latest three year period; there was no county registering a startup.

It has demonstrated good growth in the TVA Region in the recent three year period. It is not represented in the Weakley County Trade Area. The manufacturing employment share of this industry in the TVA 201-County Region is 80% of the seven-state area share.

Ten counties in the TVA Region account for about 80% of the employment in this industry. These ten counties account for 9% of the population of the Valley. The industry is, therefore, somewhat, though not excessively, geographically concentrated. It has some orientation to the more populous counties, but not necessarily to the major metropolitan areas.

The industry's typical plant is 56 employees at the median, and the 75th percentile size is 373. A fairly good wage rate prevails in this industry, averaging about \$20,400 per year.. The closings rate is fairly high, standing at 8.9%; there were, however, twelve new openings in the latest four quarter period.

Four of the twenty selected similar counties had high job growth indexes for this industry. There were also four counties with startups.

Nationally, the 1996 annual employment growth rate stands at 1.7%.

***SIC 3081- Unsupported Plastics Film And Sheet***

This industry is selected based on its relatively high number of occurrences as input to other area industries.

The industry has a small presence in the Weakley area. It's share is only about 20% of the share for the TVA Region. It is also underrepresented in the TVA 201 Region also, with only about 60% of the employment that would be present if the Valley were similar to the seven-state area. It has had good job growth in the Valley in the latest period, its growth index ranking 44<sup>th</sup>.

With eight counties in the TVA 201 area accounting for nearly 80% of the industry's employment, this industry is fairly concentrated geographically. This industry shows, however, little affinity for more densely populated areas: the eight counties account for only 4% of the population of the Valley.

Other positive factors for this industry include an average wage rate of \$28,000 and a 75<sup>th</sup> quartile employment size over 100. The current national growth rate for the four-digit industry is not known, but the corresponding three-digit industry is growth rate is 0.8% per year.

Annual closings in SIC 3081 are estimated to be almost 4.5% of existing establishments. There were three startups.

**County Benchmarks**

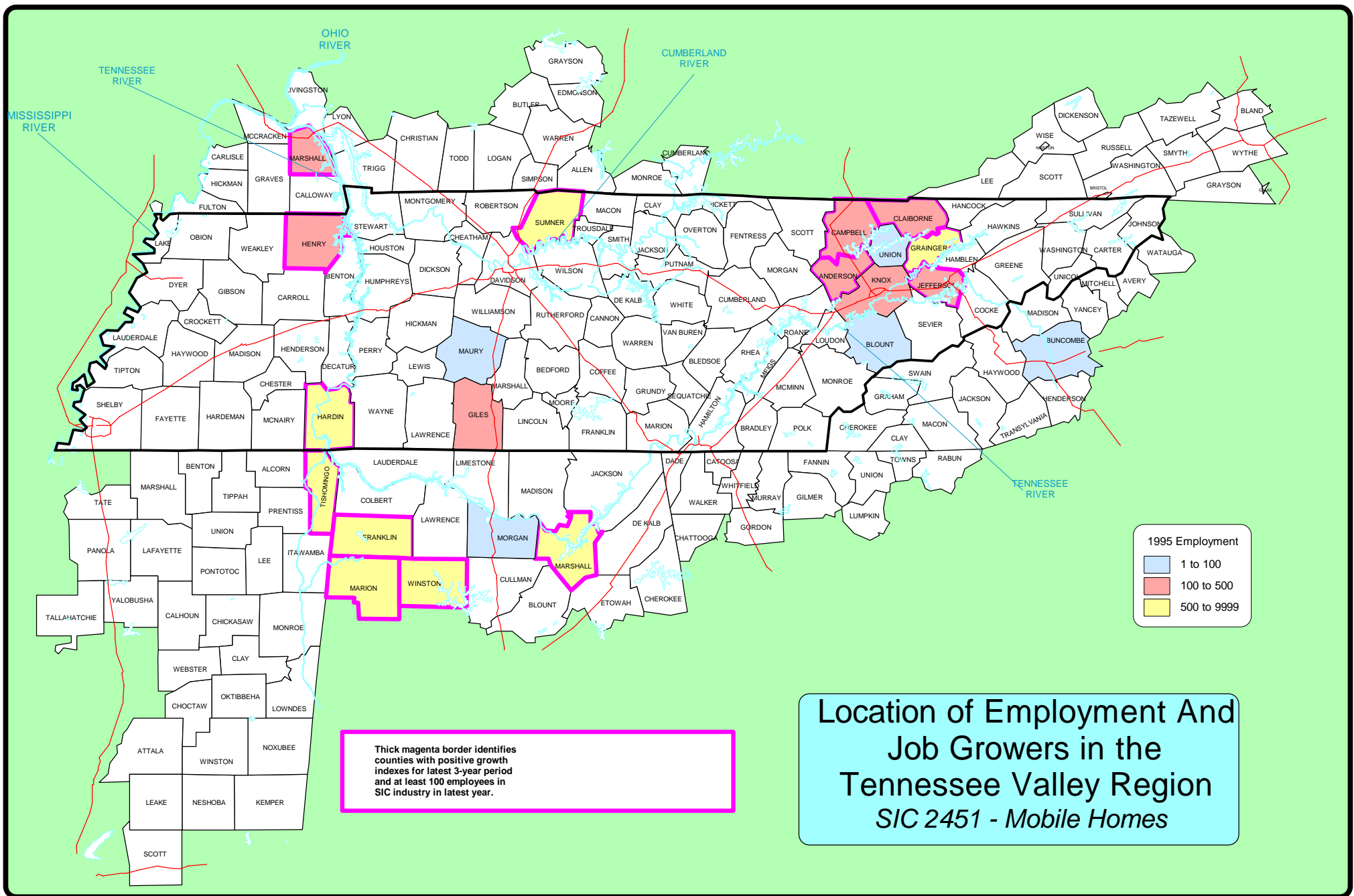
It is a popular business technique to compare a company with its peers. This can also be useful for considering commercial sectors of local economies

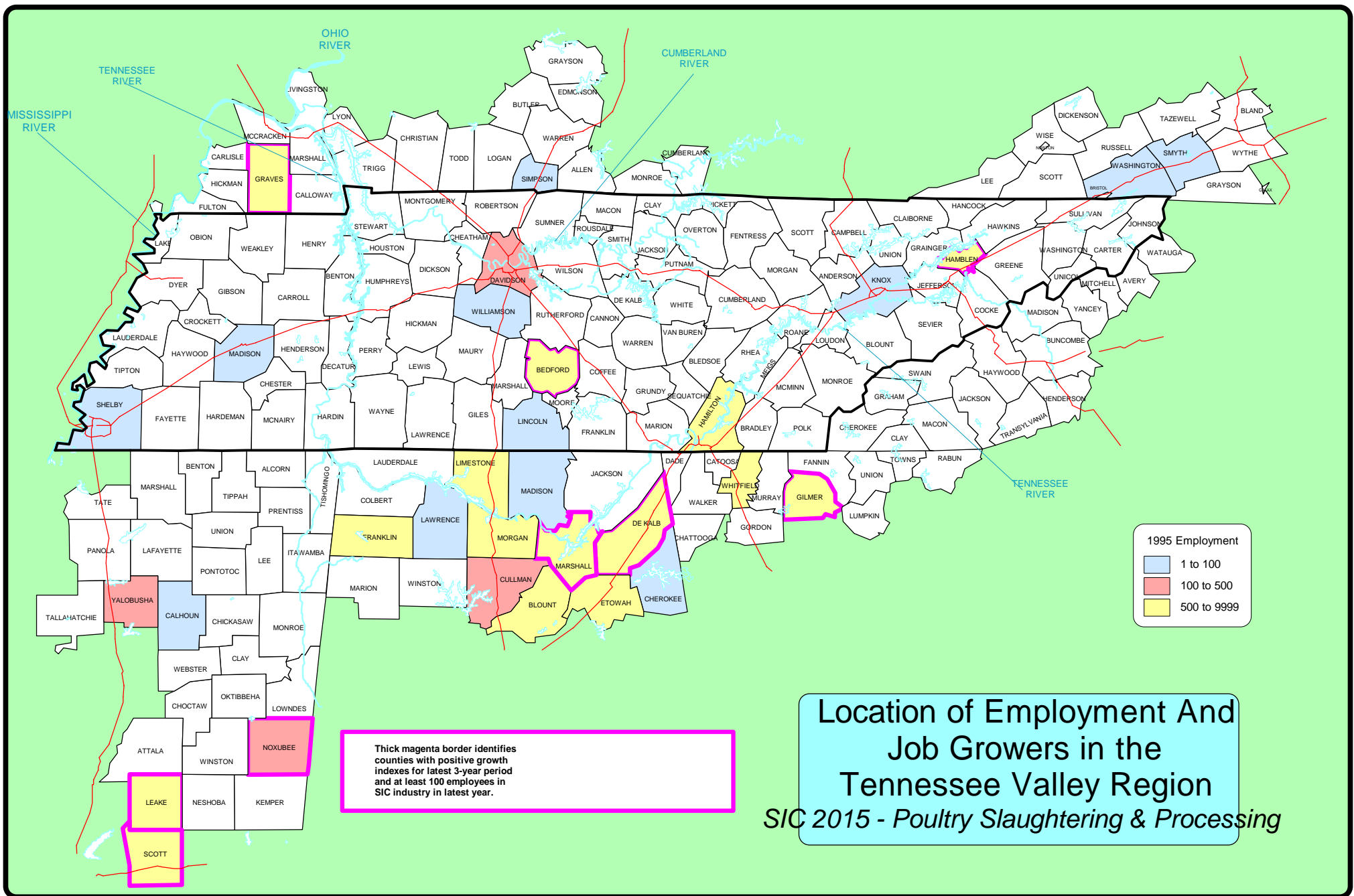


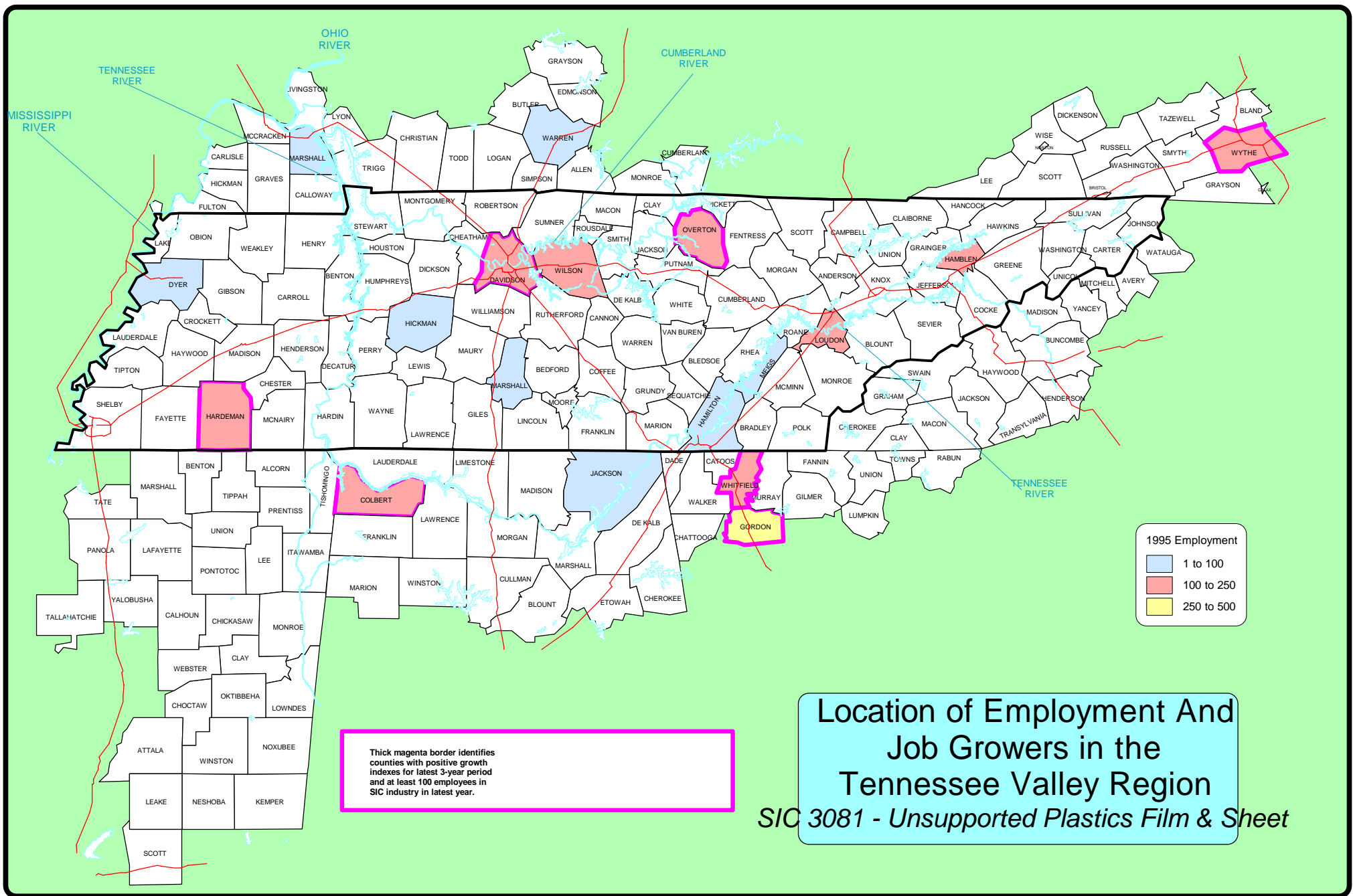
where the sectors are dependent on local demand. It is, as has been done here, beneficial to consider some counties that are most similar in several respects to Weakley County. From that, growth and start-up industries have been incorporated into the prior discussions.

*Appendix K* contains the information showing the counties selected as similar to Weakley. The table also shows the

manufacturing growth rates of these counties over the five year period. Weakley County's manufacturing growth has been better than many of the others. In fact, just about half of the counties have lost jobs in manufacturing. Hopefully, this study will contribute to future successes in the competition for development and expansion of employment in this important economic sector for Weakley County.







# Other Information

This guide has been developed to provide answers to specific and fundamental industry recruitment and development questions. These questions are some basic ones that someone might ask when beginning to develop a focused strategy to attract and expand manufacturing in Weakley County.

This information can be used as a general industry reference or to select industries that are more likely to be good candidates for expanding the industrial base of Weakley County.

This report contains additional information that is not directly used to select target industries. This information may be useful as an adjunct for evaluating the Weakley area industrial situation and its industrial resources.

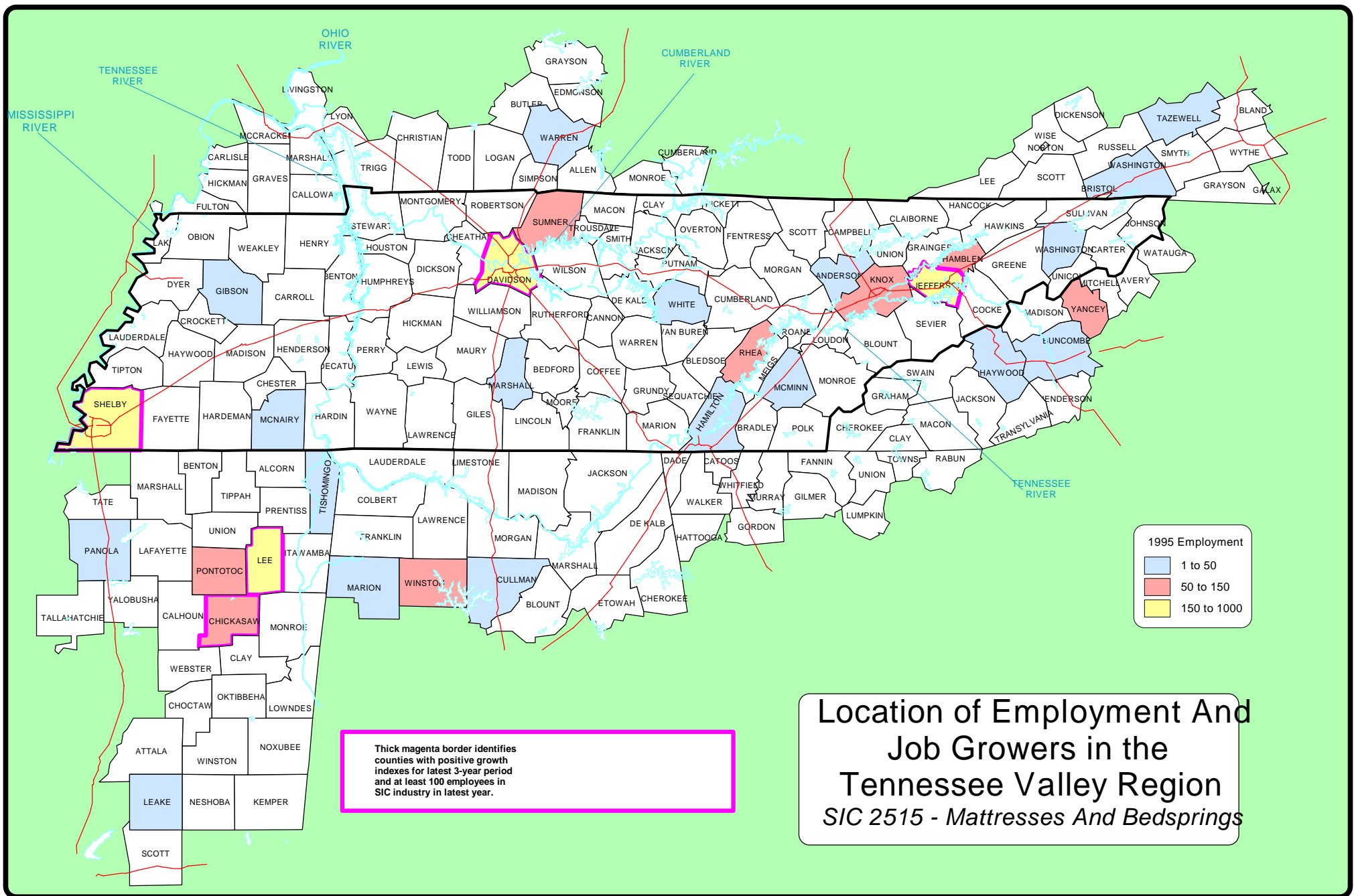
*Appendix P* lists manufacturing companies in the Weakley Trade Area with 100 or more employees, sorted by SIC. *Appendix Q* lists the same information, but is sorted by county. These listings, obtained from a commercial database, provide another look at the major industrial resources that exist in the area. This may be useful when considering

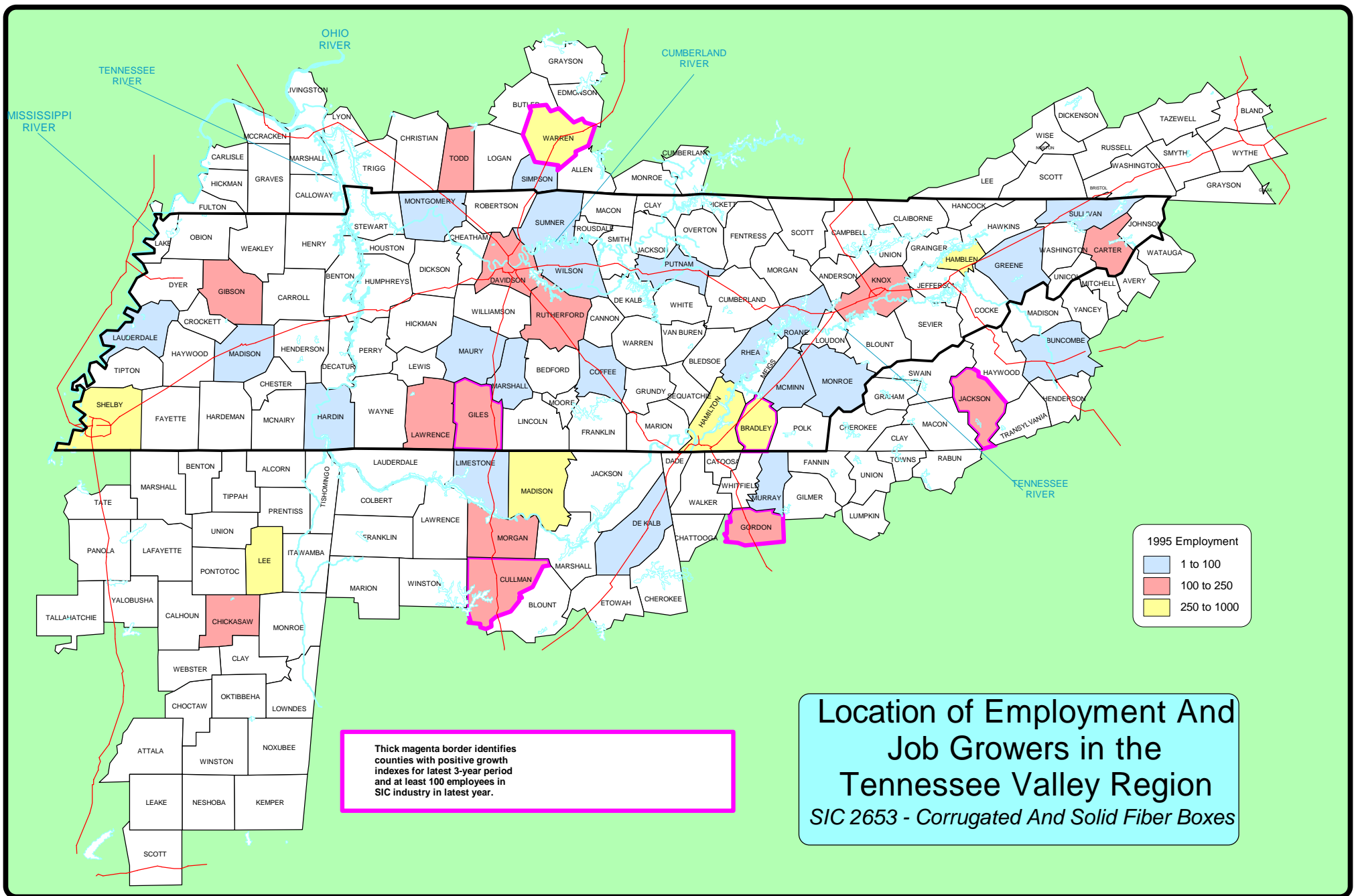
possible companies to work with or when considering companies that might have an interest in local industrial development or recruitment efforts.

*Appendix S* contains the 1990 commuting patterns from the Census journey-to-work data. It also contains the occupational composition for Weakley County in 1990. These data can be useful when considering the availability of labor for new or expanded manufacturing activity.

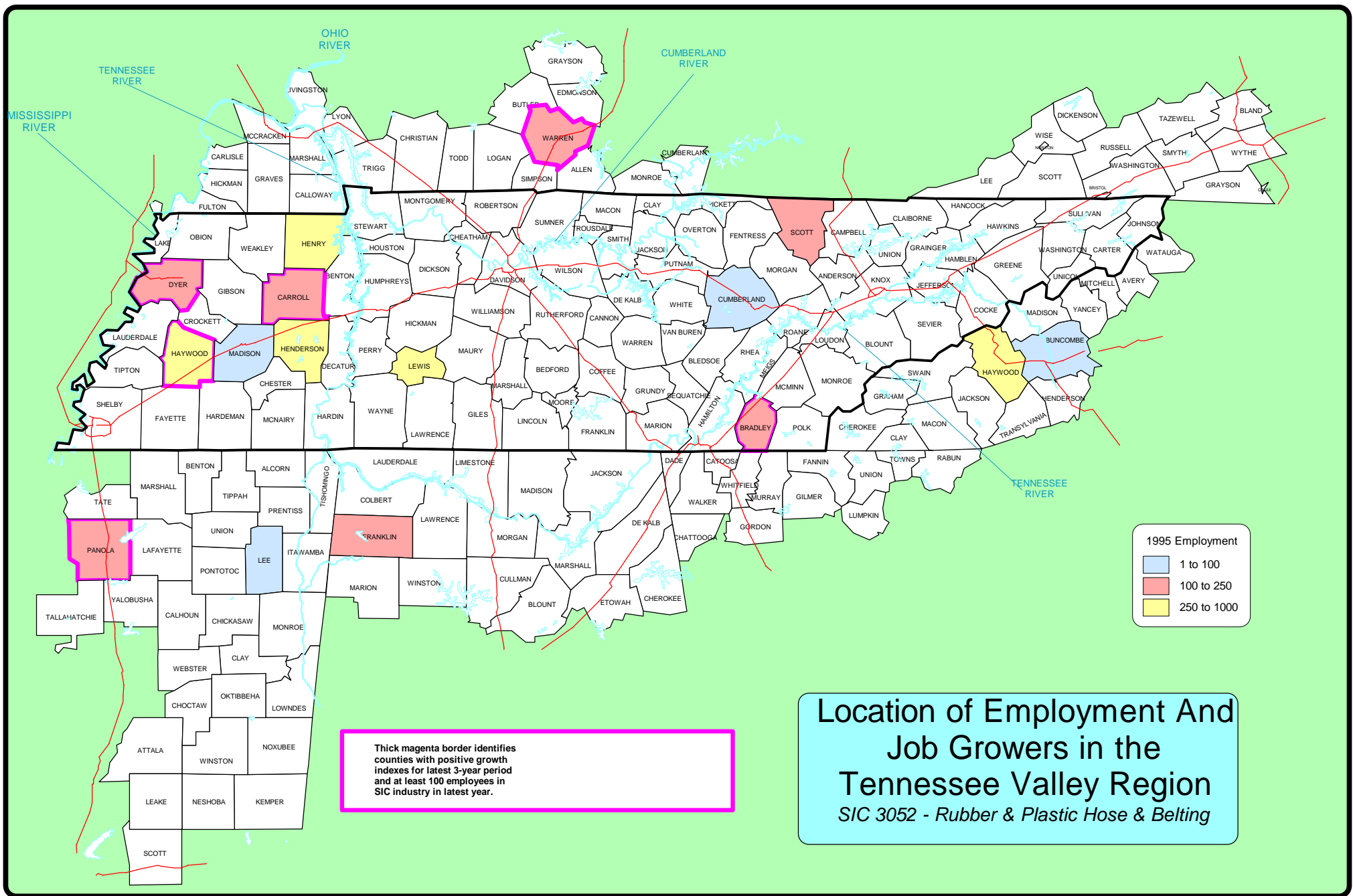
*Appendix T* contains the U.S. occupational structure for each of the four selected and discussed target industries. The data is perhaps somewhat limited by its three-digit SIC classification scheme. Nevertheless, it may be useful to compare the industries' occupational structures with the occupational composition for Weakley County.

Finally, additional thematic maps can be found on the following pages. These are the same types of maps as provided for the four selected industries in the previous chapter. These maps cover the rest of the final industry selections, and are ordered by SIC code.

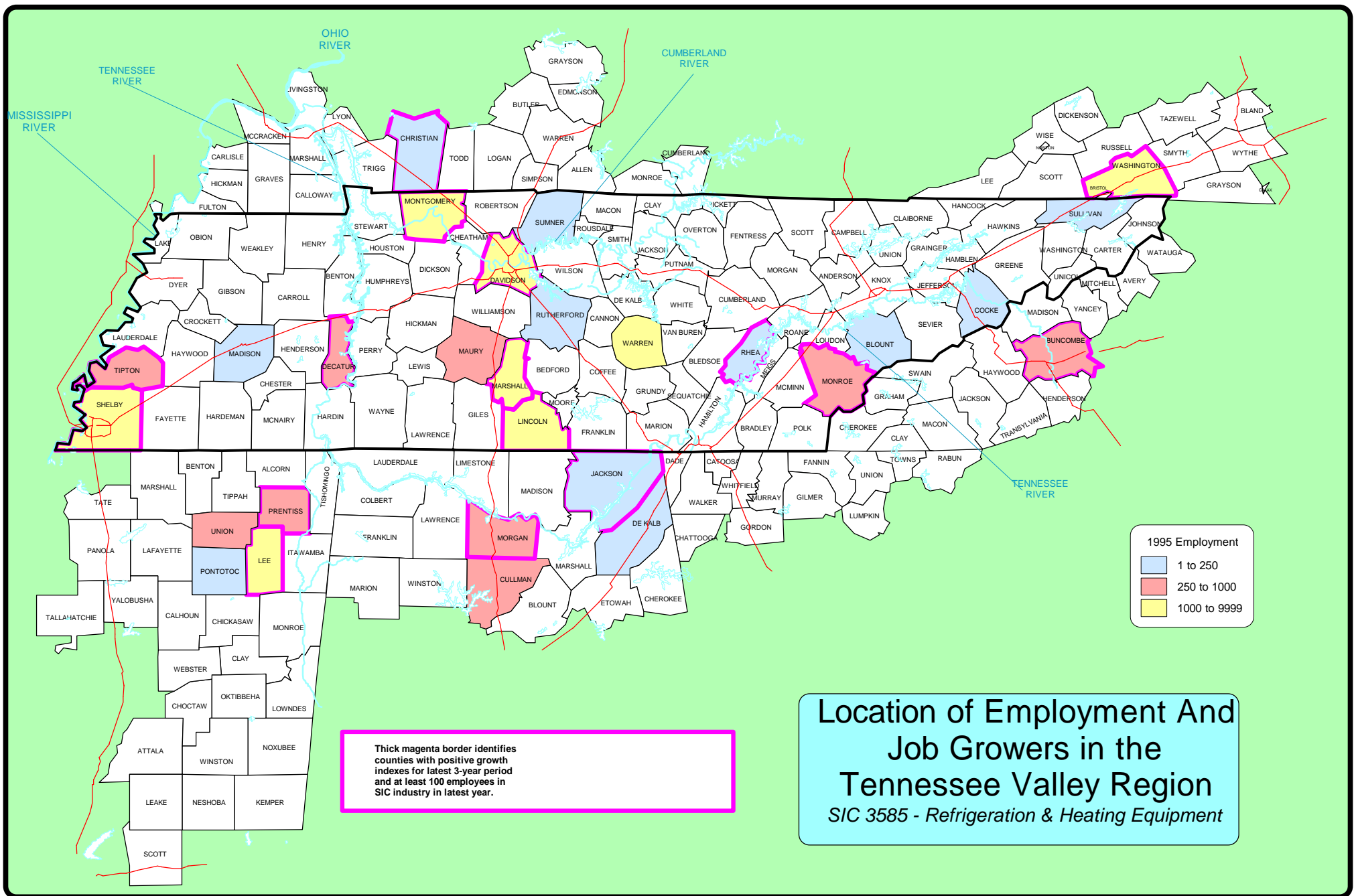












## Appendices Intentionally Omitted

*To receive a full copy of this report, or to request copies of similar research, please submit an online request from the Economic Research, Analysis, and Forecasting section which can be found on the Industrial Development and Recruitment page of this web site.*